NONCOMPLIANCE REPORT
Attachment to Atlanta Gold Corporation's Discharge Monitoring Reports

January 2017 – The weekly arsenic results for the effluent were 9 ug/L, 12 ug/L, 9 ug/L and 8 ug/L. The one result over the compliance limit was probably due to activity in the adit. The water treatment operator had to replace additional filter material as there was a collapse within the 900 crosscut behind the dam.

February 2017 – With 12' of snowfall, limited access to the site and limited services to change filters, AGC could not obtain the first week's samples. In addition, these conditions resulted in a slight increase in the effluent weir samples for the month. The arsenic results were 11 ug/L, 22 ug/L and 11 ug/L.

March 2017 – The results for arsenic for the weekly effluent sampling were 22 ug/L, 7 ug/L, 6 ug/L and 5 ug/L. On the day that the 22 ug/L sample was taken, Atlanta received 7" snow and the influent weir water spiked from 52.6 gpm the previous day to 75.4 gpm.

April 2017 – The first two arsenic results for the weekly effluent sampling were 6 ug/L and <5 ug/L, respectively. The following week, the arsenic went up to 20 ug/L and then on the 24th it increased to 123 ug/L. It looks like the raise in the arsenic may be tied into the weather and the beginnings of the spring run-off. The temperatures for the weekly effluent samplings were 2.3°C, 7.1 °C, 9.2 °C and then 9.4 °C. The influent flow changed from 70.5 gpm at the first of the month to 178.4 gpm at the end of the month.

May 2017 – Continuing rain and snow melt resulted in extreme spikes in the effluent sampling results. The first week was 16 ug/L, followed by 90 ug/L, and then it started to rise up to 470 ug/L, then 807 ug/L then back down to 571 ug/L at the end of the month. On May 10th, the influent into the filters was over 1,142 gpm. Due to the extreme road conditions caused by the runoff and snow melt, AGC was unable to deliver materials to Atlanta nor up the Mine Hill Road to the Pilot Water Treatment Facility. The road to Atlanta was fixed and then a request was made to the U.S. Forest Service to allow AGC to perform road maintenance on the Mine Hill Road and verbal approval was finally obtained on May 30th.

June 2017 – Once AGC was able to access the Mine Hill Road, the cleaning out and recharging of the filter media in the tanks and cells was accomplished during the month. The effluent sampling results started going down from 409 ug/L, to 153 ug/L to 42 ug/L during the first three weeks. The final sample for the month went up to 177 ug/L which was due to additional disturbances during the cleaning process as well as additional activity in the adit. The effluent iron results were at 3130 ug/L, 2730 ug/L, 840 ug/L and then back up to 1420 ug/L.

July 2017 - The effluent sampling results for arsenic concentration continued to decrease from June going down to 18 ug/L to 10 ug/L then back up to 43 ug/L to 42 ug/L and then back down to 36 ug/L. The baseline level for arsenic concentration for July was 40 ug/L. Iron levels were all under 1000 ug/L for the month of July. Maintenance of the adit filter commenced in late July and could be a potential cause for higher levels of arsenic in the latter half of the month. One of the post pond filters began to plug up around the middle of July. Maintenance on that filter was carried out in early August and Atlanta Gold hopes to see a continued decrease in arsenic levels in their early August sampling results.

August 2017 – The effluent sampling results for arsenic concentration continued to hover around our target of <10ug/L. We started the month out with a reading of 22 ug/L, which then decreased to 13 ug/L to <5 ug/L and then back up to 13 ug/L. Our baseline concentration of arsenic for the month of August was 50 ug/L. All iron concentrations were under 300 ug/L. Improvements in the arsenic concentration can definitely be seen over last month's results. The arsenic levels over 10 ug/L could be attributed to maintenance performed on three different filters over the course of the month. AGC is also planning to

replumb some of the flow coming out of the adit for additional filtration, which should decrease arsenic effluent concentrations.